REMARKS

By this Amendment claim 29 has been canceled and claims 30 and 31 have been amended to better define the subject matter. Entry is requested.

In the outstanding final Office Action the examiner has rejected claims 1-10, 13-25, 27, 28, 30 and 31 under 35 U.S.C. 102(b) as being anticipated by Kaule et al., he has rejected claims 11 and 12 under 35 U.S.C. 103(a) as being unpatentable over Kaule et al. in view of Jotcham et al., and he has rejected claim 29 under 35 U.S.C. 103(a) as being unpatentable over Kaule et al.

The applicant submits that these rejections are incorrect.

The examiner argues that Kaule et al. disclose a configuration whereby the design of the magnetic feature has a varying size and shape along the length of the element and therefore discloses the features of claim 1. This is incorrect. In Figure 2 of Kaule et al. there are identically shaped magnetic blocks which extend fully across the element and are of constant width and length. In Figure 3 there are magnetic tram lines which have constant shape and size along either side of the element. In Figures 4-6 the magnetic ink 4 is coated over the whole of the metal layer 11 (column 4, lines 24 - 26). Actuation of the underlying ink 13 causes both the metal layer 11 and the magnetic ink 4 to be removed to provide negative writing 5. The resulting magnetic layer therefore covers the entire security element 2 other than in the regions of the negative writing

5 so does not form a pattern which varies constantly along the length of the element and it also extends fully across the width of the element. Furthermore, at column 5, lines 36 to 42 it is disclosed how the metal is applied in stripes with the magnetic ink 4 also applied in stripes over the metallic layer and an activatable ink 13, which produces negative writing, is applied between the stripes and therefore magnetic ink is not used to form negative writing, but simply exists in the tram lines along the edges of thread. Claim 1 is therefore both novel and unobvious over Kaule et al.

With regard to claim 30, the examiner asserts that Kaule et al. disclose the design of the magnetic feature to be complementary to the pattern of the metallic feature. To support this assertion the examiner refers to Figures 2 to 4. However, Figure 2 is not relevant as the pattern (formed by the letters PL) does not have an instantaneous amplitude, frequency or maximum amplitude which varies constantly along the length of the element. They appear at a regular frequency along the length of the element, they are at the same lateral position and there is no variation. In Figure 3, on the other hand, it is accepted that the letters PL have an instantaneous amplitude which varies along the length of the element. However, the magnetic feature is not complementary to this variation. The magnetic layer is formed by straight tram lines along the edges of the security element 2 and they overlap parts of the letters PL, thereby cutting them off and interfering with the pattern. The term "complementary" applies to something which fills up or completes another element. This means that the border of the metallic design must substantially follow the border of the pattern and this simply is not the case in Figure 3. The construction of Figure 4 is that illustrated in Figure 6 which has an all over layer of magnetic ink 4, including underneath the metal regions, but which is just missing in the gap forming the letters PL. Consequently, the design of the magnetic feature is not complementary to the pattern of the metallic feature, which includes both the metallic and non-metallic regions as it overlaps to tally the metal regions.

With regard to claim 31, the examiner asserts that Kaule et al. disclose a magnetic feature which has a varying height and that the height and design variation is such that the amount of magnetic material present in any cross section of the security element is constant. It is respectfully submitted that the examiner is perhaps confusing the word "height" with another characteristic. In the present application it has the same meaning as depth. This is clarified by the text which describes Figure 4 at page 11, lines 1 to 27. It can clearly be seen from that embodiment of the invention that the width of the magnetic feature 13 varies, which means that in order to satisfy the requirements that the amount of magnetic material present in any cross section of the element 10 is constant, the height (or depth) of the magnetic layer must also vary. Such a variation cannot be seen in Figures 2 and 3 or 4 and in Figure 6 it quite clearly shows that the layer 4 is of constant height.

The prior art rejections should be withdrawn and the presented claims allowed.

Respectfully submitted,

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